

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 OMB-01
TRSE-00 /034 W

-----025694 020916Z /15

R 020041Z DEC 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5544

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E.O. 11652:N/A

TAGS: EAIR, CA

SUBJECT: CIVAIR - NEW LOW FARE FILINGS OF AIR CANADA

REF: (A) STATE 268548, 264671; (B) OTTAWA 9861

1. EMBASSY RECEIVED DEC. 1 EXTAFF NOTE NO. EBS-874,
DATED NOV. 29, RESPONDING TO OUR NOTE (REFTELS) OF
NOVEMBER 10 PROPOSING AD HOC AGREEMENT ON HANDLING OF LOW
FARE FILINGS OF AIR CANADA. SUBSTANCE OF TEXT FOLLOWS:

QUOTE. ...HAS THE HONOUR OF REFERRING TO THE EMBASSY'S
NOTE NO. 294 OF NOVEMBER 3, 1977 AND NO. 301 OF NOVEMBER
10, 1977, BOTH PERTAINING TO THE MATTER OF PASSENGER FARES
INTRODUCED BY AIR CANADA FOR TRAVEL FROM THE UNITED STATES
THROUGH MONTREAL TO VARIOUS EUROPEAN DESTINATIONS. THE
EMBASSY'S NOTES WERE REFERRED TO THE AIR TRANSPORT COMMITTEE
OF THE CANADIAN TRANSPORT COMMISSION WHICH HAS HAD THE
GENERAL SUBJECT OF NORTH ATLANTIC PASSENGER FARES UNDER
REVIEW FOR SOME TIME.

THE COMMITTEE SHARES THE CONCERN EXPRESSED IN THE NOTES ABOUT
THE COMPETITIVE ASPECTS OF THE NORTH ATLANTIC FARE STRUCTURE.
IN DEALING WITH THE UNITED STATES PROPOSAL, HOWEVER, THE
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AIR TRANSPORT COMMITTEE REQUIRES MORE INFORMATION ABOUT THE
SPECIFICS OF THE 'NEW LOW FARE FILINGS PRESENTED BY AIR
CANADA' AND 'THE SPECIFIC LOW FARE FILINGS FOR THE SUMMER
1978 SEASON'. IF IT IS CONSIDERED THAT A DISCUSSION OF
THE POINTS RAISED IN THE EMBASSY'S NOTES WOULD BE HELPFUL
TO AN UNDERSTANDING OF THE UNITED STATES' CONCERNS, THE
COMMITTEE WOULD BE AGREEABLE TO MEET WITH APPROPRIATE

UNITED STATES' (SIC) OFFICIALS. UNQUOTE.

2. AFTER RECEIVING CANADIAN NOTE, WE SPOKE TO AIR TRANSPORT COMMITTEE (ATC) TO TRY TO FIND OUT WHAT FURTHER INFORMATION ON AIR CANADA'S LOW FARE FILINGS, AND THE SUMMER SEASON FILINGS, CANADIANS WANT. SULLIVAN, CHIEF OF FARES, RATES AND SERVICES DIVISION, TOLD US PART OF PROBLEM DUE TO FACT AIR CANADA DOES NOT FILE SOME OF ITS FARES WITH ATC. IN PARTICULAR, FARES CONCERNING SERVICE BETWEEN TWO OTHER COUNTRIES EVEN THOUGH SERVICE OPERATES VIA CANADA, AS IN CASE OF FARES IN QUESTION, ARE NOT NORMALLY FILED WITH ATC. WE REFERRED SULLIVAN TO EXACT FARE DESCRIPTION OBTAINED FROM CAB WHICH WE HAD ALREADY PROVIDED TO EXTAFF AND ATC AT TIME OUR NOTE WAS PRESENTED. COMPLETE RATIONALE FOR OUR REQUEST WAS AGAIN GONE OVER WITH SULLIVAN. AFTER DETAILED DISCUSSION, HE SAID HE WOULD GET IN TOUCH WITH AIR CANADA TO OBTAIN FARE DETAILS AND WOULD PROVIDE MEMO TO AIR TRANSPORT COMMITTEE REQUESTING REVIEW OF OUR PROPOSAL FOR AD HOC AGREEMENT TO HANDLE LOW FARES ON EXPERIMENTAL BASIS. HE SAID SUGGESTION THAT THERE BE DISCUSSIONS BETWEEN US AND CANADIAN OFFICIALS CONTAINED IN CANADIAN NOTE SHOULD BE DISREGARDED IN VIEW OF FURTHER EXPLANATIONS PROVIDED IN TODAY'S CONVERSATION.

3. COMMENT: OUR PROPOSAL SEEMS TO HAVE GOTTEN BOGGED DOWN IN MIDDLE OF CONTINUING DISAGREEMENT BETWEEN AIR LIMITED OFFICIAL USE

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CANADA AND ATC OVER FARE FILING. IT NOW SEEMS CLEAR ATC DOES NOT HAVE FILING BY AIR CANADA REFERRED TO IN OUR NOTES. IN ADDITION, ORIGINAL EXPLANATION OF OUR PROPOSAL SEEMS TO HAVE BEEN MISUNDERSTOOD, OR, AT LEAST, NOT FULLY UNDERSTOOD. FROM SULLIVAN'S REACTION TO OUR TALK TODAY, WE EXPECT WE WILL SOON RECEIVE REPLY TO OUR PROPOSAL OF NOV. 10 WHICH IS RESPONSIVE. WHETHER OR NOT THAT NOV. 10. WHETHER OR NOT THAT RESPONSE WILL BE POSITIVE IS UP TO DECISION OF AIR TRANSPORT COMMITTEE. ENDERS

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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